

81-74

AS AMENDED

2001 7 OCT 1981

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 81-74 (AS AMENDED)

Introduced by Council Members Risacher and Rahl and Council  
President Hardwicke at the request of the County Executive  
Legislative Day No. 81-27 Date September 15, 1981

AN EMERGENCY ACT AUTHORIZING AND EMPOWERING HARFORD COUNTY,  
MARYLAND TO ISSUE AND SELL, AS LIMITED OBLIGATIONS OF  
THE COUNTY AND NOT UPON ITS FULL FAITH AND CREDIT, ITS  
INDUSTRIAL DEVELOPMENT REVENUE BONDS, IN THE AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000, PURSUANT TO  
SECTIONS 266A TO 266I, INCLUSIVE, OF ARTICLE 41 OF THE  
ANNOTATED CODE OF MARYLAND, FOR THE PURPOSE OF FINANCING  
THE ACQUISITION OF A CERTAIN INDUSTRIAL BUILDING TO BE  
LOCATED AT MERCEDES DRIVE AND BRASS MILL ROAD IN THE  
RIVERSIDE BUSINESS PARK AND TO BE OWNED BY MERCEDES-BENZ  
OF NORTH AMERICA, INC., A DELAWARE CORPORATION, AND USED  
AS A VEHICLE PREPARATION CENTER; AUTHORIZING THE ISSUANCE  
OF NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH REVENUE  
BONDS; AND GENERALLY PROVIDING FOR AND DETERMINING  
VARIOUS MATTERS, DETAILS AND PROCEDURES IN CONNECTION  
THEREWITH.

By the Council, September 15, 1981

Introduced, read first time, ordered posted and public  
hearing scheduled

on: October 13, 1981

at: 6:30 P.M.

By Order: Angelo Markowski, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of  
hearing and title of Bill having been published according to  
the Charter, a public hearing was held on October 13, 1981  
and concluded on October 13, 1981.

Angelo Markowski, Secretary

81-74

AS AMENDED

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RECITALS

Sections 266A to 266-I, inclusive, of Article 41 of the Annotated Code of Maryland (1978 Replacement Volume and 1980 Cumulative Supplement), as amended (the "Act"), empower all the counties and municipalities of the State of Maryland to borrow money by issuing revenue bonds for the purpose of financing the costs of acquiring any industrial building or buildings (as defined in the Act). The Act declares it to be the legislative purpose to relieve conditions of unemployment in the State of Maryland, to encourage the increase of industry and a balanced economy in the State of Maryland, to assist in the retention of existing industry in the State of Maryland through the control, reduction or abatement of pollution of the environment (where proceeds of the bonds are used for that purpose), to promote economic development, to protect natural resources and in this manner to promote the health, welfare and safety of the residents of each of the counties and municipalities of the State of Maryland.

Harford County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), received a letter of intent dated May 27, 1991 (the "Initial Letter of Intent") from Mercedes-Benz of North America, Inc., a Delaware corporation (the "Industrial Concern"), an "Industrial Concern" as mentioned in the Act, pursuant to which the Industrial Concern has requested the County to participate in the financing of the acquisition (within the meaning of the Act) of an industrial building (within the meaning of the Act) to be located in Harford County, Maryland (the "Industrial Building") by the issuance and sale by the County of its Industrial Development Revenue bonds in the aggregate principal amount not to exceed \$9,000,000, pursuant to and in accordance with the Act.







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1 and safety of the residents of Harford County and of the  
2 State of Maryland.

3 (3) In addition to authorizing the County itself  
4 to construct industrial buildings and either to lease or to  
5 sell such buildings to the Industrial Concern, the Act, as an  
6 alternative procedure, also authorizes industrial building  
7 financing to be accomplished in the form of a loan to the  
8 Industrial Concern. The loan form of transaction avoids  
9 indirect costs and burdens on the County by not requiring any  
10 direct involvement by the County in the acquisition, ownership  
11 or administration of the Industrial Building, while  
12 permitting ample controls to be imposed on the use of the  
13 proceeds of the Bonds to insure that the public purposes of  
14 the Act are fully accomplished. It is, therefore, in the  
15 best interests of the citizens of the County to finance the  
16 acquisition of the Industrial Building by a loan to the  
17 Industrial Concern. This Ordinance contemplates transaction  
18 in the form of a loan of the proceeds of the Bonds by the  
19 County to the Industrial Concern, rather than a transaction  
20 in the form of a lease or sale of the Industrial Building to  
21 the Industrial Concern.

22 (4) Neither the Bonds nor the interest thereon  
23 shall ever constitute an indebtedness or general obligation  
24 of the County or a charge against, or pledge of, the general  
25 credit or taxing power of the County, within the meaning of  
26 any constitutional or statutory provision or statutory limita-  
27 tion, and neither shall ever constitute or give rise to any  
28 pecuniary liability of the County. The Bonds are to be  
29 repaid therefrom by the Industrial Concern, and the County  
30 is not to be liable for the principal and interest on the  
31 Bonds repayable by the Industrial Concern under the applicable  
32 County by the Industrial Concern under the applicable

1. "The amount and from any source available to the  
2. County for such purpose, the proceeds of the Bonds  
3. for the payments of the principal and premium (if any) and  
4. the cost of the Bonds with interest with the County's  
5. Treasurer will be subject to the control of the  
6. County, but shall be subject to the strict supervision  
7. of the Board of Finance, and shall be used by the County  
8. for the purpose of the proceeds to be used to accom-  
9. plish the public purposes authorized by Ordinance. The  
10. provisions authorized herein shall not constitute any physical  
11. or legal encumbrance or impairment of the disposition of  
12. the County's public use or the equipment for  
13. the use of the public purposes authorized by the Act are to  
14. be achieved by facilitating the development of the Industrial  
15. activity by the Industrial Board.  
16. (8) The securities of any series shall  
17. be irrevocably and exclusively assigned, irrevocable and  
18. unconditional obligation of the County to make  
19. payments required by the indenture entered into with  
20. the holders of the Bonds of such series and moneys realized from  
21. the liquidation of any Real Estate interest created by  
22. the County and of the County's security  
23. shall be pledged with the County as security for  
24. the payment of such series of Bonds as the County  
25. may provide for the County may provide for  
26. a resolution to be adopted by  
27. the Board of Finance and delivery  
28. of each series of Bonds by "Resolution",  
29. by the County  
30. be retained by the County  
31. a resolution

1 (6) As required by Section 266G of the Act, the  
2 County does hereby set aside and pledge the income and  
3 revenue of the County from the Industrial Building into a  
4 separate and special fund to be used and applied in payment  
5 of the cost thereof. However, none of such income and  
6 revenue shall be set aside as a depreciation account (as  
7 mentioned in the Act), because such an account would (a) be  
8 inconsistent with the transactions authorized hereby, and (b)  
9 place an unreasonable burden on the Industrial Concern so as  
10 to adversely affect the feasibility of the transaction and  
11 thus frustrate the legislative purposes of the Act. The  
12 Industrial Concern shall covenant and agree to properly  
13 operate and maintain the Industrial Building during the time  
14 any of the Bonds are outstanding. If the Bonds of any series  
15 are secured by a lien on or security interest in the Indus-  
16 trial Building, such covenant and agreement shall include a  
17 specific undertaking by the Industrial Concern to make all  
18 equipment replacements and repairs necessary to insure that  
19 the security for the Bonds of such series shall not be  
20 impaired.

21 (7) The Bonds of each series shall be authorized,  
22 issued, sold and delivered without direct or indirect cost to  
23 the County, and to that end, the County Executive shall  
24 provide for the payment directly by the Industrial Concern of  
25 all necessary expenses of preparing, printing and selling the  
26 Bonds of each series and other costs contemplated and per-  
27 mitted by the Act, including (without limitation) any and all  
28 costs, fees and expenses incurred by or on behalf of the  
29 County in connection with the authorization, issuance, sale,  
30 delivery and administration of the Bonds of each series and  
31 all costs incurred in connection with the development of the  
32 appropriate legal documents, including (without limitation),



1 the fees of bond counsel to the County and compensation to  
2 any person (other than full-time employees of the County) or  
3 entity performing services for or on behalf of the County in  
4 connection with the transactions contemplated by this Ordinance,  
5 whether or not the proposed financing is consummated.

6 (8) As evidenced by the Letter of Intent, the  
7 Industrial Building is to be acquired by and for use by the  
8 Industrial Concern, an "Industrial concern" and a "bona fide  
9 tenant or purchaser" within the meaning of the Act.

10 SECTION 2. AND BE IT FURTHER ENACTED BY THE COUNTY  
11 COUNCIL OF HARFORD COUNTY, MARYLAND, That this Ordinance,  
12 among other things, and the Preliminary Resolution evidence  
13 the intent of the County to issue, sell and deliver the Bonds  
14 authorized hereby in accordance with the terms hereof. The  
15 County Executive of the County and the President of the  
16 County Council are hereby authorized, empowered, and directed  
17 to accept the Supplemental Letter of Intent on behalf of the  
18 County in order to further evidence (together with the  
19 Initial Letter of Intent heretofore accepted by the County  
20 Executive and the President of the County Council) the intent  
21 of the County to issue and sell the Bonds in accordance with  
22 the terms and provisions of this Ordinance. The County and  
23 the Industrial Concern contemplate that, upon the enactment  
24 of this Ordinance, the Industrial Concern may commence the  
25 acquisition of the Industrial Building prior to the issuance,  
26 sale and delivery of the Bonds.

27 SECTION 3. AND BE IT FURTHER ENACTED BY THE COUNTY  
28 COUNCIL OF HARFORD COUNTY, MARYLAND, That the County is  
29 hereby authorized and empowered to issue, sell and deliver  
30 the Bonds at any time or from time to time and in one or more  
31 series, in the aggregate principal amount not to exceed  
32 \$9,000,000, subject to the provisions of this Ordinance. The

1 County will lend the proceeds of the bonds of any series to  
2 the Industrial Concern pursuant to the terms and provisions  
3 of a Loan Agreement, to be used by the Industrial Concern for  
4 the sole and exclusive purpose of financing the acquisition  
5 of the Industrial Building. The Bonds of any series and the  
6 interest thereon shall be limited obligations of the County,  
7 repayable by the County solely from the revenue derived from  
8 payments made to the County by the Industrial Concern pur-  
9 suant to the Loan Agreement entered into with respect to the  
10 Bonds of such series, and from any other moneys made avail-  
11 able to the County for such purpose. The security for the  
12 Bonds of any series shall be solely and exclusively as  
13 provided in Section 1 of this Ordinance.

14 SECTION 4. AND BE IT FURTHER ENACTED BY THE COUNTY  
15 COUNCIL OF HARFORD COUNTY, MARYLAND, That the Bonds may be  
16 issued at any time or from time to time and in one or more  
17 series, and each series of the Bonds shall be identified by  
18 the year of issue or other appropriate designation. Unless  
19 otherwise provided by the County Council in an Administrative  
20 Resolution, each of the Bonds shall bear the descriptive  
21 title "Harford County, Maryland Industrial Development Revenue  
22 Bond (Mercedes-Benz of North America, Inc. Project)"; pro-  
23 vided, that the descriptive title may contain such other  
24 descriptive information as the County Council may prescribe  
25 in an Administrative Resolution (e.g. "1981 Series B").

26 SECTION 5. AND BE IT FURTHER ENACTED BY THE COUNTY  
27 COUNCIL OF HARFORD COUNTY, MARYLAND, That the Bonds of any  
28 series, which may be engraved, printed or typewritten, shall:

29 (a) be executed, issued and delivered in such  
30 amount or amounts, not exceeding \$9,000,000 in the aggregate,  
31 unless that amount is increased by an Ordinance supplemental  
32 hereto;

- (b) bear interest at such rate as shall be determined by the Council;
- (c) be dated,
- (d) be in such denominations,
- (e) be of such form and tenor,
- (f) be payable, both as to principal and interest, in such amounts, from and at such times (not more than twice a year) as shall be determined by the Council, and at such place or places as shall be determined by the Council;
- (g) be subject to redemption prior to maturity in accordance with such terms and conditions, all as the Council may prescribe, determine or provide by any amendatory or supplementary resolution.

SECTION 8. AND BE IT FURTHER ENACTED BY THE COUNCIL OF SASEFORD COUNTY, MARYLAND, That the Bonds hereinafter executed in the name of the County and on its behalf by the County Executive of the County, by his manual or facsimile signature, and the corporate seal of the County or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the Director of Administration of the County, by his manual signature. Any Loan Agreement, and, where applicable, all other documents as the Council shall deem necessary to effectuate the issuance and delivery of the Bonds of any series, shall be executed in the name of the County and on its behalf by the County Executive of the County by his manual signature, and the corporate seal of the County or a facsimile thereof shall be impressed or otherwise reproduced thereon and attested by the Director of Administration of the County by his manual signature. In case any officer whose signature or facsimile signature shall appear on the Bonds of any series or any of the aforesaid documents shall die or resign, such officer or his successor shall be responsible for the delivery of the Bonds of any series or any of the aforesaid documents, such as may be required.

such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. The County Executive or the County Board of Directors or the Director of Administration of the County and other officials of the County are hereby authorized and empowered to do all such acts and things and execute such documents and certificates as the County Council may determine to be Administrative Resolutions or necessary to carry out and comply with the provisions hereof and, upon the enactment of this Ordinance, such officials are hereby authorized and empowered to prepare and distribute, in conjunction with representatives of the Municipal Concern and the prospective purchasers of or underwriters for the Bonds of any series, both a preliminary and a final official statement in connection with the sale of the Bonds of any series. If such preliminary official statement and final official statement are determined to be necessary or desirable for the sale of the Bonds of such series, provided, however, that any such preliminary official statement shall be clearly marked to indicate that it is subject to completion and amendment.

SECTION 7. AND BE IT FURTHER ENACTED BY THE COUNTY BOARD OF HARTFORD COUNTY, MARYLAND. That prior to the issuance, sale and delivery of the Bonds of any series the County Council shall adopt an Administrative Resolution, or amend to which the County Council may (without limitation):

- (a) prescribe the form, format, terms and conditions of and security for the Bonds of such series;
- (b) prescribe the manner and time of sale of such Bonds;
- (c) determine the interest rate and maturity of such Bonds;
- (d) prescribe the method of payment of the Bonds of such series; and

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and conditions under which the bonds of such series may be called for redemption or otherwise stated maturity;

if necessary, appoint a bond agent and a paying agent or agents to receive of such bonds and to pay the interest thereon;

appoint a committee to receive and hold in trust for the county the proceeds of the bonds and to make such other disposition of the same as may be deemed proper;

authorize the county treasurer to execute, deliver, deposit, and purchase agreements, contracts and security instruments to which the county is a party which may be necessary to effectuate the purpose and delivery of the bonds of such series;

(a) determine the time of sale and redemption of the bonds and the time of delivery of the bonds and the time of delivery of the proceeds of the bonds;

(b) provide for the payment of the interest on the bonds and for the payment of the principal of the bonds;

authorize the county treasurer to execute and deliver the bonds and to receive the proceeds of the bonds;

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(h) do any and all things, and authorize the officials of the County to do any and all things, necessary, proper or expedient in connection with the purchase, sale and delivery of the Bonds or such series.

SECTION 3. AND BY IT FURTHER ORDAINED, THAT THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, THAT is authorized by Ordinance, to cause the issue of the Bonds of the County Council, and to cause the administration of the public debt of the County of any series of Bonds of each series shall be sold by private (negotiated) sale upon such terms and conditions as shall be approved by the County Council in its administrative discretion.

SECTION 4. AND BY IT FURTHER ORDAINED, THAT THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the authority to issue the Bonds is intended and shall be deemed to include the authority to issue bond anticipation notes pursuant to Section 12 of Article 31 of the Annotated Code of Maryland 1958 Replacement Volume and 1990 Cumulative Supplement) as amended (the "Bond Anticipation Note Enabling Legislation"). Reference in this Ordinance to the "Bonds" shall include such bond anticipation notes where appropriate. With respect to the purchase, sale and delivery of any series of Bonds or anticipation notes, the County Council shall adopt resolutions which shall prescribe the manner of sale, the interest rate or rates and other terms of such bond anticipation notes and the price or prices at which said Bonds shall be sold. Such bond anticipation notes shall be sold by private sale only by the County Council in accordance with the provisions of the Bond Anticipation Note Enabling Legislation. The County Council may also cause the sale of such bond anticipation notes by public sale.

1 sold at public sale. Any resolution or resolutions adopted  
2 pursuant to this Section of this Ordinance shall be deemed to  
3 be of an administrative nature. In accordance with the Bond  
4 Anticipation Note Enabling Legislation the County hereby  
5 covenants to pay any bond anticipation notes issued pursuant  
6 to this Section of this Ordinance and the interest thereon  
7 from the proceeds of the Bonds in substitution of the sale of  
8 which such notes are issued, and the County hereby further  
9 covenants to issue such Bonds when, and as soon as, the  
10 reason for deferring the issuance of the Bonds no longer  
11 exists. The timely issuance of such Bonds, however, is  
12 dependent upon matters not within the control of the County,  
13 including (without limitation) the existence of a purchaser  
14 or purchasers for such Bonds at the time the reason for  
15 deferring the issuance of the Bonds no longer exists and the  
16 effectiveness of various actions taken by the Industrial  
17 Concern, its officers, agents and employees.

18 SECTION 10. AND BE IT FURTHER ENACTED BY THE COUNTY  
19 COUNCIL OF HANFORD COUNTY, MARYLAND, That the provisions of  
20 this Ordinance are severable, and if any provision, sentence,  
21 clause, section or part hereof is held illegal, invalid or  
22 unconstitutional or inapplicable to any person or circum-  
23 stances, such illegality, invalidity or unconstitutionality  
24 or inapplicability shall not affect or impair any of the  
25 remaining provisions, sentences, clauses, sections, or parts  
26 of this Ordinance or their application to other persons or  
27 circumstances. It is hereby declared to be the legislative  
28 intent that this Ordinance would have been passed if and  
29 if not, illegal, invalid, unconstitutional and inapplicable  
30 to any person or circumstances, and that the purpose of this  
31 Ordinance is to protect the County from financial loss.

part hereof are inapplicable had been specifically exempted herefrom.

SECTION 11. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That this Ordinance has no financial impact on Harford County, Maryland, and, therefore, there is no requirement for a fiscal impact note.

SECTION 12. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the Industrial Building and the sale of the Bonds therefor shall not constitute a capital project within the meaning of the Harford County Charter or Code.

SECTION 13. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the Bonds must be issued and sold within six (6) months from the date on which this Ordinance becomes law; provided, however, that the County Council, after a showing of good cause after a public hearing held before the County Council prior to or after the expiration of such six (6) month period, may by administrative resolution extend the period during which the Bonds may be issued and sold for such additional terms not to exceed six (6) months in the aggregate from the date on which the first six (6) months period expired. The County Council, in its sole discretion, shall determine the sufficiency, or lack thereof, of the reasons presented for any requested extension of the six (6) month period. If an extension is granted, notice of such extension and the reasons therefor must be sent to the County Executive. If the Bonds are not issued and sold within said six (6) month period or any approved extension thereof, the authority provided in this Ordinance for the County to issue and sell the Bonds shall expire.

~~SECTION 14. -- AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That this Ordinance shall~~



1 ~~take-effect-on-the-date-that-it-becomes-law.~~

2       SECTION 14. AND BE IT FURTHER ENACTED, that the County  
3 hereby declares that an emergency exists in that the County  
4 has been informed that representatives of the United States  
5 Department of Treasury have indicated that legislation may  
6 be introduced in the United States Congress during October,  
7 1981, which will severely restrict or eliminate the tax  
8 exemption presently available in connection with the is  
9 suance of "small issue" industrial development bonds, and  
10 that such legislation may take effect from the date of its  
11 introduction. The loss of such tax exemption with respect  
12 to the Bonds may result in the frustration of the declared  
13 legislative purpose of the Act and this Ordinance. Accord-  
14 ingly, it is in the best interests of the residents of  
15 Harford County that this Ordinance be passed as an emer-  
16 gency act; and this Ordinance is hereby declared to be  
17 an emergency act necessary for the protection of the  
18 public health, safety and welfare, and for the economic  
19 development of Harford County and shall take effect on  
20 the date it becomes law.

21 EFFECTIVE: October 20, 1981

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AS AMENDED

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BY THE COUNCIL

Read the third time., BILL NO. 81-74 (as amended)

Passed LSD 81-29 (October 13, 1981) (with amendments)

~~XXXXXXXXXXXXXXXXXX~~

By order

Angela Markowski, Secretary

Sealed with the County Seal and presented to the County Executive  
for his approval this 14th day of October, 1981  
at 3:00 o'clock P.M.



Angela Markowski, Secretary

BY THE EXECUTIVE

APPROVED:

[Signature]  
County Executive  
Date October 20, 1981

BY THE COUNCIL

This Bill (No. 81-74 (as amended), having been approved by  
the Executive and returned to the Council, becomes law on  
October 20, 1981.

Angela Markowski, Secretary

Rec'd & recorded 3-16-1982 at 1:00 P.M.  
JVC Liber 7 Folio 113 & examined per  
H. Douglas Chilcoat, Clerk, Harford Co.

EFFECTIVE DATE: October 20, 1981

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AS AMENDED